

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version:	CSHB 85(L&C)
Fiscal Note Number:	4
(H) Publish Date:	5/13/2021

Identifier: HB085-DEC-SPAR-04-30-2021  
Title: FINANCIAL INSTITUTIONS; LIABILITY  
Sponsor: LEBON BY REQUEST  
Requester: House Finance Committee

Department: Department of Environmental Conservation  
Appropriation: Spill Prevention and Response  
Allocation: Spill Prevention and Response  
OMB Component Number: 3094

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

The committee substitute changes the language regarding lender liability to match the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), placing additional requirements on lenders in order to qualify for the exemption from liability. This lowers the likelihood that a site could fall to the Department for response.

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Date: 04/30/2021

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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION**Analysis**

The bill creates liability exemptions for lenders who foreclose on contaminated properties.

The bill limits the Department's ability to require a lender to contain and respond to contamination on foreclosed properties. Since a lender would not be required to clean up or contain contamination, there could be a risk that the property could become more contaminated, or contamination may spread and affect adjacent properties. If it became necessary to act to contain and clean-up the contamination, the Department would not be able to recover costs from the lender.

It is unclear how many current or future contaminated sites might be affected by the exemptions in the bill. However, the requirements that a lender must fulfill to qualify for an exemption limits the number of sites that would require the Department to respond. It is believed that the potential cost of responding to any such sites in the future would be absorbed within the Department's current capacity.